

立法會 *Legislative Council*

LC Paper No. CB(1)54/20-21(04)

Ref. : CB1/PL/HG

Panel on Housing

Meeting on 2 November 2020

Updated background brief prepared by the Legislative Council Secretariat on transitional housing

Purpose

This paper provides background information on transitional housing, and gives a summary of the views and concerns expressed by members of the Panel on Housing ("the Panel") on the subject.

Background

2. In view of the time required to identify land for housing construction, the current-term Government has since 2017 supported community initiatives on transitional housing to alleviate the hardship faced by families on the public rental housing ("PRH") waiting list and inadequately-housed households ("IHHs"),¹ and has indicated in the 2017 Policy Address various specific measures on transitional housing.²

¹ According to the Hong Kong Housing Authority's [website](#), there were about 155 800 general applicants (i.e. family and elderly one-person applicants) for PRH as at end-June 2020. According to the [Long Term Housing Strategy Annual Progress Report 2019](#), the estimated number of IHHs in Hong Kong was 119 100.

² These measures include (a) optimizing the use of idle government premises by providing rental housing units like those under the "Light Housing" project launched by Light Be in Sham Tseng; (b) supporting the Community Housing Movement initiated by the Hong Kong Council of Social Service on a pilot basis, including encouraging the Urban Renewal Authority to participate by offering units in old buildings; (c) facilitating the Hong Kong Housing Society in allowing the owners of its subsidized housing to rent out their flats with premium unpaid to needy families at below market rentals on a pilot basis; (d) exploring the wholesale conversion of industrial buildings into transitional housing with waiver of land premium; and (e) supporting non-profit-making organizations to explore the feasibility of constructing pre-fabricated modular housing on idle sites.

Task Force on Transitional Housing

3. As one of the six new housing initiatives announced by the Chief Executive in June 2018, a task force on transitional housing ("the Task Force") has been established under the Transport and Housing Bureau ("THB") to spearhead transitional housing.³

Supply of transitional housing

4. The 2019 Policy Address announced the target of providing a total of 10 000 transitional housing units within the three years from 2020-2021 to 2022-2023. In January 2020, the Government announced that it would further increase the supply of transitional housing by raising the three-year target to 15 000 units. The Task Force has assisted and facilitated a number of transitional housing projects proposed and operated by non-government organizations ("NGOs").⁴

Financial measures

5. In January 2019, the Finance Committee ("FC") approved the Administration's proposal to set up a \$1 billion fund to support NGOs for the gainful use of vacant government sites, including transitional housing projects.⁵

6. The Administration announced in April 2019 that the Chief Executive in Council had approved the exemption of waiver fee, rent and associated costs for land applications related to the provision of community-initiated transitional housing projects.

³ The Task Force comprises five dedicated officers (including two project directors) led by the Under Secretary for Transport and Housing (LC Paper No. [CB\(1\)388/18-19\(03\)](#)).

⁴ These projects include social housing in privately owned vacant residential buildings and vacant government premises, other initiatives by different NGOs including proposals of using Modular Integrated Construction method to construct transitional housing on vacant government land and privately-owned land, or converting vacant non-residential buildings (such as privately-owned vacant school premises or industrial buildings) to transitional housing (LC Paper No. [FCR\(2019-20\)45](#)).

⁵ As at 31 March 2020, the Development Bureau had approved the funding for the entire project or phased funding for eight applications, and of which, three were related to transitional housing on vacant government land, with a total of funding capped at about \$13 million granted to the NGO-applicants for kick-starting the preliminary works (LC Paper No. [CB\(1\)500/19-20\(01\)](#)).

7. In March 2020, FC approved a funding allocation of \$5 billion⁶ to implement a funding scheme to support transitional housing projects by NGOs ("the Funding Scheme").⁷

Major views and concerns

8. The major views and concerns expressed by members on the subject are summarized in the ensuing paragraphs.

Operation of transitional housing projects

9. Some members opined that the Administration should draw up appropriate standards regarding transitional housing such as the tenancy period, rent level, size of transitional housing units and the facilities inside such units such as whether there were independent toilet and kitchen.

10. The Administration advised that although NGOs might need to work out the operation details of their transitional housing projects according to unique service emphasis of their projects, the Administration had put in place some general guidelines for them to follow. For examples, for a transitional housing project which was funded under the Funding Scheme, the Administration would require the project operator to allocate a major portion of the transitional housing units for applicants who were living in inadequate housing and had been waiting for PRH for three years or more, so that the project operator might use the remaining units to achieve its other missions or cater for applicants with special urgent needs. The average living space in transitional housing units should be about seven square metres per person. The length of tenancy should be generally two years. The Administration also expected that the rent level of transitional housing should be lower than the relevant market rent with a ceiling of no more

⁶ The Financial Secretary announced in the 2019-2020 Budget that \$2 billion would be set aside to support NGOs in constructing transitional housing. In October 2019, the Chief Executive announced that the provision would increase from \$2 billion to \$5 billion.

⁷ According to the Administration, the Under Secretary for Transport and Housing ("USTH") would be the approving authority for transitional housing projects under the Funding Scheme. An Assessment Committee, chaired by USTH and comprising representatives from relevant bureaux/departments and non-official members appointed by the Secretary for Transport and Housing, would be responsible for assisting USTH in vetting applications and overseeing the implementation of the Funding Scheme (LC Paper No. [FCR\(2020-21\)60](#)).

than 40% of the prevailing PRH income limit, although in practice, most NGOs determined the rent level based on the latest rent allowance under the Comprehensive Social Security Assistance Scheme or no more than 25% of the household income.

11. In view that the length of tenancy of transitional housing was generally two years, members expressed concern that if tenants of transitional housing were required to move out from their units upon expiry of such a short tenancy period, they might have to move back to subdivided units or other inadequate housing while continuing to wait for PRH allocation. The Administration advised that some NGOs were operating more than one transitional housing project, and they might make use of their resources flexibly to provide suitable assistance to their tenants upon expiry of the two-year tenancy.

Funding Scheme for transitional housing projects

12. Members expressed concern about the support services provided by NGOs for residents of transitional housing after their intake. On the question of whether the Funding Scheme would provide financial support for setting up social work teams to assist residents of transitional housing, the Administration advised that the Funding Scheme mainly provided financial support for NGOs to carry out the works required to make fit the potential sites/premises for transitional housing projects on a one-off basis. NGOs operating transitional housing might deduct the expenses of the supporting services provided for their residents from rental income.

13. Members enquired whether funding allocated under the Funding Scheme could be spent on salaries/payments for the employees/personnel of the NGO concerned. The Administration advised that the funding to be allocated to each approved project under the Funding Scheme would depend on the merits of the proposal submitted by the project applicant and a number of site specific factors, such as the size of the site, the number of transitional housing units to be constructed, existing conditions and configuration, technical requirements, extent of infrastructure required, etc. The Funding Scheme would not fund the emolument to a person who was on the payroll of the applicant organization (such as existing members, directors, shareholders or employees of NGOs) unless prior approval had been obtained. However, 0.4% to 0.14% of the total subsidy could be used for subsidizing administrative overheads for the implementation of the project.⁸

⁸ LC Paper No. [CB\(1\)235/19-20\(01\)](#)

14. On members' concerns about the efficiency of the Assessment Committee in vetting applications of the Funding Scheme, the Administration advised that as the Task Force would convene inter-bureaux/departmental meetings to study the feasibility of the projects proposed by NGOs, the Assessment Committee would mainly assess the technical, financial and social aspects of the proposed projects and look into the experience and capability of the project applicants, etc. Tentatively, the Assessment Committee would hold one meeting every three months, and might increase the number of meetings subject to the number of applications received.

Provision of transitional housing in the long term

15. Some members opined that transitional housing would be a major source of short-term housing supply to alleviate the hardship faced by IHHs, and the demand for it might continue to exist in the coming decade. On the suggestion that the Administration should incorporate the provision of transitional housing into the Long Term Housing Strategy ("LTHS"), the Administration advised that when determining the total housing supply target under LTHS, the Administration had already taken into account the housing needs of IHHs. Given the short-term nature of transitional housing, the timing and amount of its supply were unstable and might be subject to changes in different periods of time. It was therefore not suitable to include these housing units in the ten-year housing supply target.⁹

Meeting the supply target of transitional housing

16. Members expressed concern on the slow implementation of transitional housing projects and whether the Administration could achieve its supply target of transitional housing within the three years from 2020-2021 to 2022-2023. Some members opined that NGOs in general were not specially tasked with the provision of housing, and might encounter problems in the course of implementing transitional housing projects. The Government should assume a more proactive role in the provision of transitional housing as it had the land, financial resources and the relevant expertise.

17. The Administration advised that the Task Force had identified sites for the provision of 10 000 transitional housing units. These projects mainly belonged to four categories, namely, projects in existing buildings, newly-built projects,

⁹ [Progress Report](#) on the Motion on "Increasing transitional housing supply" passed at the Council meeting of 20 February 2019.

conversion of whole buildings, and projects currently under in-depth studies. The Administration had been assessing the feasibility to develop transitional housing on a number of government, institution or community sites that had no development plans in the short term, so as to meet the land requirement for the remaining target of 5 000 units.¹⁰ Among the wide range of tasks involved, the Task Force would continue to assist NGOs in making land lease applications and other arrangements, and provide comments to NGOs on various aspects of transitional housing projects, including the architectural layout, environmental matters, traffic, fire services, and infrastructure provision, etc.

Location of transitional housing projects

18. Members opined that transitional housing units provided in remote locations might not be suitable for families who needed to live close to their places of work and schools. Some members expressed concern on how the Administration would cater for the daily living and travel needs of residents of transitional housing provided in inconvenient locations, and how the Administration would relieve the pressure brought about by large-scale transitional housing projects on the supporting facilities in the district concerned.

19. The Administration advised that in order to achieve the target of providing 15 000 transitional housing units in three years, the Task Force would have to take forward a number of large-scale transitional housing projects in the New Territories. The public consultation and town planning process for such projects would need to cover environmental, ecological and traffic impact assessments. The Administration had all along paid heed to the daily needs of residents of transitional housing. For example, to cater for the shopping need of residents of transitional housing at Kong Ha Wai, the Administration would arrange the provision of retail facilities in the vicinity. The Task Force would collaborate with NGOs to strengthen employment support to families living in transitional housing. THB would continue to liaise with the Transport Department to enhance the transport support for transitional housing, such as providing additional public transport services and public transport lay-bys, etc.¹¹

Land for transitional housing

20. Members opined that the Administration should make good use of vacant government sites/premises, such as vacant school premises, temporary works areas

¹⁰ LC Paper No. [CB\(1\)652/19-20\(01\)](#)

¹¹ LC Paper No. [CB\(1\)948/19-20](#)

of public works projects, etc. for providing transitional housing. Some members opined that the Administration should accept the suggestion of using the site which had been reserved for the Phase 2 development of the Hong Kong Disneyland Resort for providing transitional housing.

21. The Administration advised that individual vacant government sites/premises might not be suitable for transitional housing because they had been earmarked for long-term development or under processing for short-term or temporary uses. If and when vacant school premises suitable for conversion into transitional housing were available, the Administration would approach interested NGOs proactively. Some of the temporary works areas of public works projects were relatively small in size, or had been re-allocated for provision of other facilities (such as railway associated facilities, roads, reprovisioned facilities, etc.); and some temporary works areas had been reserved for other long-term uses. The Task Force and relevant departments/organizations would review the latest situation of these sites to consider whether they were suitable for transitional housing.

Wholesale conversion of industrial buildings for transitional housing

22. In view that no industrial buildings ("IBs") had yet been converted into transitional housing, members enquired on how the Administration would improve the relevant measures for encouraging such wholesale conversion. The Administration advised that there were so far no success cases of conversion of IBs into transitional housing mainly because IB owners might not be interested in converting their IBs to transitional housing if the rental income from transitional housing did not justify the cost of investment involved in the conversion. It was one of the work objectives of the Administration to encourage wholesale conversion of IBs to transitional housing, and the Task Force had been working out more effective proposals in this regard.¹²

Latest developments

23. The Administration consulted the Panel on 4 November 2019 on the proposal for the Funding Scheme with a staffing proposal to create a supernumerary Administrative Officer Staff Grade C post in the Housing Department to provide policy support and supervise the Task Force in facilitating the transitional housing projects. FC approved the Funding Scheme on 6 March

¹² LC Paper No. [CB\(1\)948/19-20](#)

2020 and considered the staffing proposal under the item FCR(2020-21)60 - EC(2020-21)2 on 13 July 2020 but did not approve it.

24. The Administration will brief members at the meeting on 2 November 2020 on proposed funding injections for enhancing the Funding Scheme and proposed creation of a supernumerary Administrative Officer Staff Grade C post.

Relevant papers

25. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
30 October 2020

Appendix

Transitional Housing

List of relevant papers

Council/ Committee	Date of meeting	Papers
Panel on Housing	30 October 2017	2017 Policy Address
Panel on Housing	4 November 2019	Administration's paper (LC Paper No. CB(1)67/19-20(04)) Minutes of meeting (LC Paper No. CB(1)294/19-20) Administration's supplementary paper (LC Paper No. CB(1)235/19-20(01))
Panel on Housing	8 November 2019	Administration's paper (LC Paper No. CB(1)32/19-20(01)) Minutes of meeting (LC Paper No. CB(1)492/19-20) Administration's supplementary paper (LC Paper No. CB(1)373/19-20(01))
Panel on Housing	2 December 2019	Minutes of meeting (LC Paper No. CB(1)544/19-20)
Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies	-	Report of the Subcommittee (LC Paper No. CB(1)555/19-20)
Panel on Housing	26 May 2020	Administration's paper (LC Paper No. CB(1)652/19-20(01)) Minutes of meeting (LC Paper No. CB(1)948/19-20) Administration's supplementary paper (LC Paper No. CB(1)882/19-20(01))